

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Local Government Debt Reform Act is amended  
5 by changing Section 10 as follows:

6 (30 ILCS 350/10) (from Ch. 17, par. 6910)

7 Sec. 10. General provisions. Bonds authorized by  
8 applicable law may be issued in one or more series, bear such  
9 date or dates, become due at such time or times within 40  
10 years, except as expressly limited by applicable law, provided  
11 that notwithstanding any such express limitation bonds issued  
12 by school districts for the purpose of purchasing,  
13 constructing, or improving real property may become due within  
14 30 years, bear interest payable at such intervals and at such  
15 rate or rates as authorized under applicable law, which rates  
16 may be fixed or variable, be in such denominations, be in such  
17 form, either coupon, registered or book-entry, carry such  
18 conversion, registration, and exchange privileges, be subject  
19 to defeasance upon such terms, have such rank or priority, be  
20 executed in such manner, be payable in such medium of payment  
21 at such place or places within or without the State of  
22 Illinois, make provision for a corporate trustee within or  
23 without the State with respect to such bonds, prescribe the

1 rights, powers and duties thereof to be exercised for the  
2 benefit of the governmental unit and the protection of the  
3 bondholders, provide for the holding in trust, investment and  
4 use of moneys, funds and accounts held under an ordinance,  
5 provide for assignment of and direct payment of the moneys to  
6 pay such bonds or to be deposited into such funds or accounts  
7 directly to such trustee, be subject to such terms of  
8 redemption with or without premium, and be sold in such manner  
9 at private or public sale and at such price, all as the  
10 governing body shall determine. Whenever such bonds are sold at  
11 price less than par, they shall be sold at such price and bear  
12 interest at such rate or rates such that either the true  
13 interest cost (yield) or the net interest rate, as may be  
14 selected by the governing body, received upon the sale of such  
15 bonds does not exceed the maximum rate otherwise authorized by  
16 applicable law. Except for an ordinance required to be  
17 published by applicable law in connection with a backdoor  
18 referendum, any bond ordinance adopted by a governing body  
19 under applicable law shall, in all instances, become effective  
20 immediately without publication or posting or any further act  
21 or requirement.

22 (Source: P.A. 90-306, eff. 8-1-97.)

23 Section 10. The School Code is amended by changing Section  
24 19-3 as follows:

1 (105 ILCS 5/19-3) (from Ch. 122, par. 19-3)

2 Sec. 19-3. Boards of education. Any school district  
3 governed by a board of education and having a population of not  
4 more than 500,000 inhabitants, and not governed by a special  
5 Act may borrow money for the purpose of building, equipping,  
6 altering or repairing school buildings or purchasing or  
7 improving school sites, or acquiring and equipping  
8 playgrounds, recreation grounds, athletic fields, and other  
9 buildings or land used or useful for school purposes or for the  
10 purpose of purchasing a site, with or without a building or  
11 buildings thereon, or for the building of a house or houses on  
12 such site, or for the building of a house or houses on the  
13 school site of the school district, for residential purposes of  
14 the superintendent, principal, or teachers of the school  
15 district, and issue its negotiable coupon bonds therefor signed  
16 by the president and secretary of the board, in denominations  
17 of not less than \$100 nor more than \$5,000, payable at such  
18 place and at such time or times, not exceeding 30 ~~20~~ years from  
19 date of issuance, as the board of education may prescribe, and  
20 bearing interest at a rate not to exceed the maximum rate  
21 authorized by the Bond Authorization Act, as amended at the  
22 time of the making of the contract, payable annually,  
23 semiannually or quarterly, but no such bonds shall be issued  
24 unless the proposition to issue them is submitted to the voters  
25 of the district at a referendum held at a regularly scheduled  
26 election after the board has certified the proposition to the

1 proper election authorities in accordance with the general  
2 election law, a majority of all the votes cast on the  
3 proposition is in favor of the proposition, and notice of such  
4 bond referendum has been given either (i) in accordance with  
5 the second paragraph of Section 12-1 of the Election Code  
6 irrespective of whether such notice included any reference to  
7 the public question as it appeared on the ballot, or (ii) for  
8 an election held on or after November 1, 1998, in accordance  
9 with Section 12-5 of the Election Code, or (iii) by publication  
10 of a true and legible copy of the specimen ballot label  
11 containing the proposition in the form in which it appeared or  
12 will appear on the official ballot label on the day of the  
13 election at least 5 days before the day of the election in at  
14 least one newspaper published in and having a general  
15 circulation in the district, irrespective of any other  
16 requirements of Article 12 or Section 24A-18 of the Election  
17 Code, nor shall any residential site be acquired unless such  
18 proposition to acquire a site is submitted to the voters of the  
19 district at a referendum held at a regularly scheduled election  
20 after the board has certified the proposition to the proper  
21 election authorities in accordance with the general election  
22 law and a majority of all the votes cast on the proposition is  
23 in favor of the proposition. Nothing in this Act or in any  
24 other law shall be construed to require the notice of the bond  
25 referendum to be published over the name or title of the  
26 election authority or the listing of maturity dates of any

1 bonds either in the notice of bond election or ballot used in  
2 the bond election. The provisions of this Section concerning  
3 notice of the bond referendum apply only to (i) consolidated  
4 primary elections held prior to January 1, 2002 and the  
5 consolidated election held on April 17, 2007 at which not less  
6 than 60% of the voters voting on the bond proposition voted in  
7 favor of the bond proposition, and (ii) other elections held  
8 before July 1, 1999; otherwise, notices required in connection  
9 with the submission of public questions shall be as set forth  
10 in Section 12-5 of the Election Code. Such proposition may be  
11 initiated by resolution of the school board.

12 With respect to instruments for the payment of money issued  
13 under this Section either before, on, or after the effective  
14 date of this amendatory Act of 1989, it is and always has been  
15 the intention of the General Assembly (i) that the Omnibus Bond  
16 Acts are and always have been supplementary grants of power to  
17 issue instruments in accordance with the Omnibus Bond Acts,  
18 regardless of any provision of this Act that may appear to be  
19 or to have been more restrictive than those Acts, (ii) that the  
20 provisions of this Section are not a limitation on the  
21 supplementary authority granted by the Omnibus Bond Acts, and  
22 (iii) that instruments issued under this Section within the  
23 supplementary authority granted by the Omnibus Bond Acts are  
24 not invalid because of any provision of this Act that may  
25 appear to be or to have been more restrictive than those Acts.

26 The proceeds of any bonds issued under authority of this

1 Section shall be deposited and accounted for separately within  
2 the Site and Construction/Capital Improvements Fund.

3 (Source: P.A. 95-30, eff. 8-7-07.)